

Foreign Military Sales — Building Partnerships for the Future

Carl Brieske

Never in the history of warfare have Soldiers been as mobile, as well equipped and as lethal as those in today's U.S. Army. However, even the fastest microchips and the most sophisticated digital battle command systems cannot ignore the glaring need for Soldiers to have the right weapons at the right place at the right time. How can we ensure that our defense industry supplies the weapons and technologies America needs in the future? This overriding concern has been present in every administration from John F. Kennedy's to the present. The fact is, the American defense industry has significantly downsized since the Cold War's end. The issue now is how to preserve America's military industrial base while also converting excess capacity to civilian production.

This M1A2-SEP (System Enhancement Package) Abrams main battle tank gets put through the paces during recent testing by General Dynamics Land Systems (GDLS) technicians. The Saudi Arabian government has requested 58 tanks — the M1A1/2S (Saudi) version — complete with the "export armor package," through USASAC. (Photo courtesy of GDLS.)

The U.S. Army Security Assistance Command (USASAC) has served as an Army Materiel Command (AMC) major subordinate command since 1975. USASAC — responsible for the Foreign Military Sales (FMS) program — has supported our allies and other friendly nations with the “right weapons at the right time” while simultaneously finding opportunities where international military sales bring benefits back to the U.S. Army and the American defense industrial base. Former Secretary of Defense William Perry said in testimony to Congress, the “first and dominant test” of an international arms sale must be that it supports national security interests. Providing U.S.-manufactured military equipment to foreign customers continues to be a primary tool of U.S. foreign policy — it is not simply an economic question of promoting exports.

A Historical Perspective

The U.S. has been in the business of exporting military equipment for more than a century. During World War I, the U.S. exported roughly \$4 billion in munitions to its allies. In World War II, the Roosevelt Lend-Lease program provided approximately \$49 billion in aid to our allies. Most exports after World War II were grants from the Military Assistance Program. When U.S. defense industry spending peaked in 1985, exports of U.S.-made defense products still totaled less than 10 percent of all U.S. defense industry sales. The large defense budget reductions of

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the 1990s and focused budgets of the global war on terrorism (GWOT) have meant that foreign military sales now constitute a much larger and economically more important share of the defense industrial base and, by some estimates, total nearly 30 percent of the defense industrial base.

It has been 16 years since President George Herbert Walker Bush informed Congress of his intent to sell M1A2 tanks to Saudi Arabia. This sale was in response to a request from the Saudi Arabian government for a total package sale that included training, support equipment, spare parts and ammunition. To provide this equipment to the Saudis quickly, there was a lot of hard work by industry, the Army, the Defense Security Cooperation Agency, then the Defense Security Assistance Agency, and the

Department of State to prepare the formal announcement to Congress. Once Congress approved the sale, a strong signal was sent to our foreign customers that they were dealing with a pragmatic

government and industry. While completing this sale, the Army decided to terminate all U.S. tank procurements after the FY91 buy. It was only through this FMS program sale to Saudi Arabia and the follow-on co-production of M1A2 tanks that we were able to sustain our tank production line and not lose our position as the preeminent main battle tank producer in the world.

Following a 16-year partnership with the Saudi government, President George W. Bush notified Congress of a Saudi request for another possible sale and reconfiguration for 58 M1A1 Abrams tanks, which, together with the 315 M1A2 Abrams tanks already in Saudi Arabia's inventory, were to be upgraded to the M1A2S (Saudi) Abrams. USASAC provided a total package consisting of configuration kits, spares and repair parts, communications and support equipment, publications and technical data, personnel training and training equipment, contractor engineering and technical support services, and other related elements of logistics support. This is an example of how the United States recognizes nations that stand firmly with us in the GWOT and, as a result, both countries benefit.

Maintaining a Delicate Balance

The Army and industry have recognized the need to seek out economy-of-scale



The AH-64D Apache helicopter is now in co-production in Japan under an FMS agreement between the U.S. Army and the Japanese Self Defense Force. The first aircraft rolled off the assembly line in May 2006. (Photo courtesy of USASAC.)



Djibouti Armed Forces personnel inspect one of five newly arrived 2-liter M1035A2 Humvee ambulances purchased under FMS by their government for military use in March 2006. (Photo courtesy of USASAC.)

advantages by coupling international hardware orders with domestic requirements. This makes the combined volume more affordable to both parties and, in some cases, the production line remains open sustained by FMS orders. FMS has bridged the production gap in sales for Apache attack helicopters; Tube-launched, Optically-tracked, Wire-guided anti-tank missiles; and Patriot Advanced Capability-3 air defense missiles. Maintaining a robust industrial base through FMS has maintained our legacy systems while allowing sufficient time for Army leaders to develop the technological capability necessary to field the interoperable, complementary and transformational systems required for 21st-century warfighting.

The best measure of whether the Army is managing its military industrial base appropriately is whether its force structure receives the latest in technology. It was President Ronald Reagan's emphasis on armed forces' technology modernization that led directly to the quick victory and low casualties in *Operation Desert Storm (ODS)*. However, the release of sensitive military or dual-use technologies has always been a point of contention between the government and defense

exporters who need to show their best products to be competitive in an ever-shrinking global market. Notwithstanding, a critical priority will always be protecting our Soldiers and U.S. interests at home and abroad by maintaining our technological advantage over potential adversaries. At the same time, U.S. industry is trying to counter foreign competition that often puts forward its most advanced technology when marketing a new system. All this results in a delicate balancing act as competing agendas force the

entire security cooperation community to reconcile U.S. defense requirements with U.S. defense industry interests.

As the GWOT has unfolded, USASAC has actively managed developing complex FMS cases with coalition partners and engaging potential customers at international trade shows. USASAC's contributions are often in the form of active support to, and participation in, industry marketing efforts. A less visible but equally important tool is the industrial outreach at USASAC. Following the end of the Cold War, many new allies and partnership nations emerged requiring defense equipment from the United States. GWOT and other international security concerns have placed added emphasis on getting equipment to the right place at the right time. USASAC has worked to enhance customer focus while transforming Letter of Offer and Acceptance processing to be more reactive to customer requirements, while also working closely with AMC's Life Cycle Management Commands and industry to get the items on contract. The Army's support for the FMS customer can also be found



Djibouti Armed Forces personnel inspect a newly arrived 2-liter M1035A2 Humvee ambulance purchased through the FMS program and delivered in March 2006. (Photo courtesy of USASAC.)

FMS helps DOD bridge the production gap in sales for tanks, personnel carriers, helicopters, missiles and equipment. Here, an AH-64 Apache helicopter, which has been sold to numerous allies and is currently being co-produced in Japan, maneuvers over Camp Taji, Iraq, last July. (U.S. Air Force photo by TSGT Russell E. Cooley IV, 1st Combat Camera Squadron.)



at U.S. Embassies where dedicated Security Assistance Officers (SAOs) assist the U.S. defense industry with FMS, either through FMS or Direct Commercial Sales.

During 2006, USASAC has also established liaison officers (LNOs) to assist combatant commanders (COCOM) and their staffs. The benefits of having an individual forward deployed working with the COCOM staffs to assist in the planning and execution of FMS cases has been immeasurable. USASAC LNOs have been assigned to the U.S. European Command, U.S. Southern Command and U.S. Pacific Command, and are collocated with the Multi-National Security Transition Command-Iraq and the Combined Security Transition Command-Afghanistan. USASAC LNOs are actively assisting the COCOM staffs and their SAOs in the formulation and preparation of FMS requests. According to USASAC Deputy Commander Richard Alpaugh, "It is our objective to use these LNOs at the COCOM headquarters [HQs] to assist our allies and friendly nations to develop capable,

self-sufficient militaries able to sustain themselves and assist in the GWOT."

Security Assistance Supports Foreign Policy

As Americans witness the rebuilding of Iraq and Afghanistan, very few realize the efforts that USASAC and the Army's Security Cooperation programs have played in enhancing our allies' ability to assist us in the GWOT. For-

mer Secretary of Defense Frank Carlucci told Congress that "security assistance promotes the interoperability of U.S. and allied forces, thereby increasing their effectiveness. Security assistance also forms a vital part of the cooperative arrangements through which our forces gain access to critical military facilities throughout the world." Carlucci's words ring true today as America's foreign policy objectives have remained fairly constant

over time. Security assistance and arms sales will continue to be critical components of U.S. foreign policy.

The value of arms sales is not necessarily in the capabilities provided by the equipment itself. In the case of the

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M1A2 Abrams tank sale to Saudi Arabia, both countries benefited from the long-term bilateral relationship. The Saudi Arabian army acquired the world's premier battle tank to enhance regional security, while the U.S. government continues to build on a strong military-to-military relationship in this important economic and potentially unstable geographic region. When it came time to ramp up for operations in the Middle East during *ODS*, and now again for *Operation Iraqi Freedom*, we did so with unprecedented efficiency and inspired confidence. The effectiveness of our response was, to a large extent, a direct result of years of patient work building political relations via military assistance and sales in Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates and Egypt. These relationships have clearly yielded the intended results.

USASAC's goal today is to find opportunities where international military sales bring the greatest benefits to the Army and FMS customers, balancing Army goals in terms of their political, military and economic contributions to U.S. national security policy. The GWOT will continue to drive future USASAC efforts in supporting the defense industry and FMS customers.

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